

Message Text

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ORIGIN L-02

INFO OCT-01 EB-01 IO-01 ISO-00 /005 R

66610

DRAFTED BY: L/EB:FKWILLIS:LMS

APPROVED BY: L/3EB:FKWILLIS

EB/TT/MA:RKBANK

IOBXCMD:RHINES

----- 000494

R 071746Z AUG 74

FM SECSTATE WASHDC

INFO RUFHOL/AMCONSUL HAMBURG 2168

AMEMBASSY MOSCOW

AMEMBASSY WARSAW

AMEMBASSY MONROVIA

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AMEMBASSY HELSINKI

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FOLLOWING REPEAT EC BRUSSELS 4915 ACTION SECSTATE INFO BONN

BRUSSELS COPENHAGEN DUBLIN LONDON LUXEMBOURG OSLO PARIS

ROME STOCKHOLM THE HAGUE TOKYO GENEVA OECD PARIS 05 JUL

QUOTE

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PASS DEPARTMENT OF TRANSPORTATION AND COMMERCE

E.O. 11652: N/A

TAGS: ETRN, EEC

SUBJECT: EC TRANSPORT POLICY--OCEAN AND AIR TRANSPORTATION

1. SUMMARY: A EUROPEAN COURT OF JUSTICE DECISION REGARDING THE FRENCH MARITIME LABOR CODE CONFIRMED THE EC COMMISSION'S POSITION THAT THE GENERAL RULES OF THE TREATY OF ROME APPLY TO SEA AND BECOME ACTIVE IN THESE AREAS OF TRANSPORTATION WHICH HAVE BEEN RESERVED TO THE MEMBER STATES. THE NATURE AND SPEED OF COMMISSION INTERVENTION IN THESE FIELDS IS NOT YET CLEAR. END SUMMARY.

2. THE EUROPEAN COURT OF JUSTICE RENDERED A JUDGMENT IN WHICH IT HELD THAT FRANCE, BY MAINTAINING PROVISIONS IN ITS MARITIME LABOR CODE WHICH REQUIRED THAT CERTAIN POSITIONS ON FRENCH MERCHANT SHIPS BE HELD EXCLUSIVELY BY FRENCH NATIONALS, FAILED TO FULFILL ITS OBLIGATIONS UNDER ARTICLE 48 OF THE TREATY OF ROME (FREEDOM OF MOVEMENT FOR WORKERS). (SEE THE OFFICIAL JOURNAL, VOLUME 17, NO. C70/5 OF JUNE 18, 1974). THIS DECISION, WHICH IS IMPORTANT TO MERCHANT SAILORS, ALSO UPHELD THE EC COMMISSION'S CONTENTION THAT THE GENERAL PROVISIONS OF THE ROME TREATY APPLY TO SEA AND AIR TRANSPORTATION. GENERAL PROVISIONS OF THE TREATY COVER SUCH MATTERS AS THE RULES ON COMPETITION (ARTICLES 85 AND 86), LIMITATIONS ON GOVERNMENT SUBSIDIES (ARTICLES 92-94), RIGHTS OF REESTABLISHMENT (ARTICLES 52-58), ETC.

3. THE MISSION HAS NOT SEEN THE FULL TEXT OF THE COURT'S DECISION BUT COMMISSION OFFICIALS HAVE TOLD US THAT FRANCE HAD ARGUED THAT BECAUSE ARTICLE 84-2 SPECIFICALLY EXCLUDES SEA AND AIR TRANSPORT FROM THE PROVISIONS OF TITLE IV (ARTICLES 74-84) WHICH COVER COMMON TRANSPORTATION POLICY, ARTICLE 48 DOES NOT APPLY TO SEA TRANSPORT. FRANCE AND OTHER MEMBER STATES, RELYING ON ARTICLE 84-2, HAVE CONSISTENTLY RESISTED COMMISSION ACTIVITY IN THE AREAS OF SEA AND AIR TRANSPORTATION, EVEN COMMISSION REQUESTS TO UNDERTAKE STUDIES IN THESE FIELDS.

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4. ALTHOUGH THE COMMISSION HAS ALWAYS MAINTAINED THAT THE GENERAL RULES OF THE TREATY APPLIED TO SEA AND AIR TRANSPORT, THE COURT DECISION ON THE FRENCH MARITIME LABOR CODE, (WHICH IS REFERRED TO IN THE TRANSPORTATION DIRECTORATE GENERAL AS THE APRIL 4 DECISION), MATERIALLY CHANGES THE COMMISSION'S EFFECTIVE ROLE. EC COMMISSIONER SCARASCIA-MUGNOZZA, THE COMMISSIONER RESPONSIBLE FOR TRANSPORTATION, IN A DECLARATION TO

A COUNCIL OF TRANSPORTATION MINISTERS ON JUNE 27, EMPHASIZED THE SIGNIFICANCE OF THE COURT DECISION. HE ALSO SUGGESTED THAT THE PRACTICAL CONCLUSION TO BE DRAWN FROM THE DECISION IS THAT A COHERENT POLICY ON SEA AND AIR TRANSPORTION SHOULD BE DEVELOPED. THIS COULD BE DONE IF THE COUNCIL GIVES ITS APPROVAL AS PROVIDED FOR IN ARTICLE 84-2.

5. COMMENT: THE MISSION HAS NOT YET BEEN ABLE TO ASSESS THE FULL IMPLICATIONS OF THE DECISION. COMMISSION OFFICIALS HAVE TOLD US THE COMMISSION ITSELF IS NOW TRYING TO DECIDE WHAT TO DO. THE COMMISSION HAS BEEN MEETING WITH SHIPPING AND AIRLINE OFFICIALS AND THERE IS TO BE A MEETING OF GOVERNMENT TRANSPORTATION EXPERTS IN SEPTEMBER. A MODEST CONCLUSION THAT CAN BE DRAWN IS THAT THE COMMISSION WILL NOW BE LOOKING AT A WIDE RANGE OF PROBLEMS REGARDING SEA AND AIR TRANSPORT. OFFICIALS IN THE DIRECTORATE GENERAL ON TRANSPORTATION WILL BE HARD AT WORK DEVELOPING PROPOSALS. WHEREAS THE COMMUNITY TRANSPORT POLICY, WHICH ONLY COVERED RAIL, ROAD AND INLAND WATERWAYS. WAS OF MARGINAL CONCERN TO THE US, COMMISSION ACTIVITY IN SEA AND AIR TRANSPORT WILL FIND THE COMMISSION NOW DEALING WITH AREAS OF CONSIDERABLE INTEREST TO THE US. SCARASCIA TOLD THE TRANSPORTATION MINISTERS THAT "THE PRESENT EVOLUTION IN THE AREAS OF SEA AND AIR TRANSPORTATION WILL PERMIT US TO TAKE GREATER ADVANTAGE OF THE COMMUNITY'S PARTICIPATION IN THE OECD, UNCTAD, AND IMCO."GREENWALD UNQUOTE KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MARINE TRANSPORTATION, CIVIL AVIATION, TRANSPORTATION, POLICIES, LABOR RELATIONS, CONSULTANTS, MEETINGS, REGIONAL ORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE171934
Document Source: CORE
Document Unique ID: 00
Drafter: L/EB:FKWILLIS:LMS
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740216-0795
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740866/aaaacfaf.tel
Line Count: 141
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN L
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 02 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 APR 2002 by shawdg>; APPROVED <25 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC TRANSPORT POLICY--OCEAN AND AIR TRANSPORTATION
TAGS: ETRN, EEC
To: HAMBURG MULTIPLE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005